

MERIT Securities Corporation

Funds Account Activity Summary

MERIT Series 12-2

Payment Date: 28-Jan-00

Reporting Month Dec-99

Collateral Proceeds Account

Beginning Balance \$0.00

Deposits

Interest Net of Servicing Fee \$5,273,347.05

Principal \$15,406,131.38

Deposits from Reserve Fund \$525,009.74

Other Deposits \$0.00

Total Deposits \$21,204,488.17

Withdrawals

Interest Payments \$4,613,835.32

Principal Payment \$15,583,070.19

Surplus \$659,511.73

Collateralized Reserve Fund \$348,070.93

Total Withdrawals \$21,204,488.17

Ending Balance (\$0.00)

Note: "Principal" and "Interest Net of Servicing Fee" includes Advances on Delinquencies

MERIT Securities Corporation

Credit Enhancement Summary

MERIT Series 12-2

Payment Date: 28-Jan-00

Reporting Month: Dec-99

| Type | Purpose | Initial Coverage | | Beginning Period Coverage | | Adjustments | Losses | Ending | Ending Period Coverage | |
|--------------------|---------|------------------|---------------|---------------------------|---------------|-------------|------------|--------------------|------------------------|---------------|
| | | % | \$ | % | \$ | | | Collateral Balance | % | \$ |
| Credit Enhancement | | 3.14% | 33,922,914.00 | 3.64% | 29,197,999.86 | 0.00 | 525,009.74 | \$785,655,912.14 | 3.65% | 28,672,990.12 |

| Type | Beginning Balance | Current Deposits | Withdrawals for Losses | Ending Reserve Balance |
|--|-------------------|------------------|------------------------|------------------------|
| Collateralized Reserve Fund (Included in above coverage amount) | 796,508.20 | 348,070.93 | 525,009.74 | 619,569.39 |

Surplus Summary

| Class | Total Distribution |
|---------|--------------------|
| Surplus | \$659,511.73 |

Delinquency Statistics

| UNDERLYING LOANS* | | % of Underlying Loans | |
|-------------------|------------|-----------------------|-----------------|
| | # of Loans | Current Balance | Current Balance |
| 30 Days | 86 | \$13,918,375 | 4.25% |
| 60 Days | 27 | \$4,015,730 | 1.23% |
| 90 + days | 72 | \$12,376,693 | 3.78% |
| F/C | 44 | \$7,818,988 | 2.39% |
| REO | 17 | \$2,042,617 | 0.62% |
| | 246 | \$40,172,403 | 12.27% |

| DIRECTLY HELD LOANS** | | % of Directly Held Loans | |
|-----------------------|------------|--------------------------|-----------------|
| | # of Loans | Current Balance | Current Balance |
| 30 Days | 67 | \$10,821,513 | 2.38% |
| 60 Days | 28 | \$3,368,296 | 0.74% |
| 90 + days | 62 | \$6,770,513 | 1.49% |
| F/C | 66 | \$8,177,960 | 1.80% |
| REO | 30 | \$5,542,158 | 1.22% |
| | 253 | \$34,680,440 | 7.63% |

*Covered by various Pool Insurance policies

** Not covered by Pool Insurance policy